

Remuneration Report 2023.

This remuneration report has been prepared by the Board of Directors (the “Board”) of Electromagnetic Geoservices ASA (the “Company” or “EMGS”) in accordance with the Norwegian Public Limited Liability Companies Act Section 6-16b and the associated Regulation of 11 December 2020.

Introduction, scope and purpose

This remuneration report provides an overview of remuneration payable (and/or paid) to the executive management team of EMGS for 2023.

The report should be read in conjunction with the Company's policy for determination of salaries and other remuneration for leading personnel, which was adopted by the Company's annual general meeting held on 21 May 2021 (the "Remuneration Policy").

The objective of the Company's compensation policy for the executive management as expressed in the Remuneration Policy, is to attract and retain the best leadership capabilities available to lead and develop the Company and thus maximise shareholder value and to align the incentives of executive management as closely as possible with the interests of the shareholders. To this end, the Remuneration Policy allows for variable elements (such as bonus, stock options and variable special payments) in addition to the fixed salary.

Information regarding the remuneration paid to members of the Board can be found in note 6 of the Company's annual report for 2023. The compensation to members of the Board is approved by the annual general meeting of the Company as separate voting items.

Main developments and events affecting EMGS in 2023

2023 marks the third full year of streamlined operations for EMGS. However, unlike 2021 and 2022, in 2023 the Atlantic Guardian was warm-stacked for the entire year. As a result of the Atlantic Guardian being warm-stacked and a reduction of late sales from the previous year, revenue fell from USD 35.0 million in 2022 to USD 8.0 million in 2023. Net income was reduced from USD 11.2 million in 2022 to a net loss of USD 8.2 million in 2023. Despite a year plagued by low activity, available cash remains at a healthy USD 10.3 million at the end of 2023.

At the annual general meeting held on 21 June 2023 Frederik Mohn was re-elected Chairman of the Board and Mimi Berdal, Jørgen Westad and Beatriz Malo de Molina were re-elected as board members. Petteri Soininen did not seek re-election.

Further details regarding the Company's performance in 2023 is set out in the 2023 annual report, including the Board of Director's Report.

Compensation in 2023

In 2023, the remuneration to members of the executive management team consisted of a combination of fixed and variable pay. The total compensation paid or otherwise accrued to members of the EMGS executive management team and board members in 2023 is set out in Table 1 below.

Table 1: Total compensation including breakdown (all figures in kUSD)

Name of director, position	Period	Fixed remuneration		Variable		Extraordinary items ¹	Total remuneration ²	Pension expense ³	Percentage variable vs fixed remuneration ⁵
		Base salary	Fringe benefits ⁴	One-year variable ⁶	Multi-year variable				
Bjørn Petter Lindhom, CEO	01.01 - 31.12 2023	261	2	-	-	-	263	13	0%
Anders Eimstad, CFO	01.01 - 31.12 2023	173	2	-	-	-	174	13	0%
Dag Helland-Hansen, GEA	01.01 - 31.12 2023	231	2	-	-	-	233	14	0%
Frederik W. Mohn, Director	01.01 - 31.12 2023	-	-	-	-	-	-	-	0%
Mimi Berdal, Director	01.01 - 31.12 2023	38	-	-	-	-	38	-	0%
Beatriz Malo de Molina, Director	01.01 - 31.12 2023	28	-	-	-	-	28	-	0%
Petteri Soininen, Director	01.01 - 31.12 2023	-	-	-	-	-	-	-	0%
Jørgen Westad, Director	01.01 - 31.12 2023	-	-	-	-	-	-	-	0%

¹ Non-recurring items including sign-on bonus

² Total remuneration equals the sum of fixed remuneration, variable remuneration and extraordinary items. Avg. exchange rate for 2023 of NOK/USD 10.5647

³ The executive management team participates in the group's ordinary pension scheme

⁴ Fringe benefits includes participation in the group's ordinary fringe benefits, as well as any extraordinary fringe benefits awarded to executive management.

⁵ The sum of one-year variable and multi-year variable remuneration expressed as a percentage of the sum of base salary and fringe benefits

⁶ The One-year variable column includes vesting of previously awarded share options as well as cash bonus(es).

No variable compensation was paid to members of the executive management in 2023. All of the Company's employees participate in the bonus programme. Each employee has an individual maximum bonus potential under the programme (i.e., a cap). The cap for total bonus payment under the 2023 bonus programme for the CEO, CFO, and GEA were 50%, 40%, and 33% of their annual salary, respectively.

The bonus programme is linked to Key Performance Indicators ("KPI") seeking to measure financial targets and operational performance (e.g., including safety, quality and security), which were set by the Board prior to the start of the year. The KPIs set in 2023, and which were used to determine the performance-based pay to executive management were: obtaining a certain EBITDA margin; reaching target revenue; positive return to shareholders; securing a contract above a certain threshold; suffering no loss time injuries("LTI"); commercial launch of new source system; and suffering no serious IT security incidents. The financial KPIs received a combined weight of 70% while the remaining 30% was split between LTIs and IT security targets. While two of the eight KPIs were achieved, it was decided that no bonus would be paid as a result of the financial performance for the year.

The ratio of the CEO's compensation to average compensation for all employees (excluding members of the executive management team) was 2.8 for 2023 compared to 2.1 for 2022.

Table 2 below sets out the total executive management compensation and the year-over-year development in executive management compensation for the five preceding financial years, as well as the average employee compensation and the ratio between this average and the executive management compensation over the same period. The table also provides total compensation for the Board for the five preceding financial years.

Table 2: Executive Management and Board of Directors compensation and development 2019-2023(kUSD)⁴

Management	Changes during period		2019	2020	2021	2022	2023
	Start Date	End Date					
Christian Vermeijden, CEO		30.11.2018	-	-	-	-	-
Bjørn Petter Lindhom, CEO	1.12.2018		380	398	312	418	276
Aggregate CEO total compensation¹			380	398	312	418	276
CEO compensation development²			5%	5%	-22%	34%	-34%
Average employee compensation			138	144	161	201	98
CEO to Avg. employee Ratio³			2.76	2.77	1.94	2.08	2.83
Income/(Loss)⁴			(22,224)	(10,747)	1,598	10,482	1,675
Other Executive Management							
Hege Veiseth, CFO		31.12.2019	247	-	-	-	-
Anders Eimstad, CFO	01.01.2020		-	165	226	265	187
Aggregate CFO total compensation¹			247	165	226	265	187
CFO compensation development²			-6%	-33%	37%	17%	-29%
CFO to Avg. employee Ratio³			1.79	1.15	1.41	1.32	1.92
Dag Helland-Hansen, Global EA/President EMEA	12.03.2018		259	248	295	333	246
Global EA/President EMEA to Avg. employee Ratio³			1.88	1.73	1.84	1.66	2.52
Øyvind Greaker Bjørndal, CLC	01.01.2018	30.09.2020	175	143	-	-	-
CLC to Avg. employee Ratio³			1.27	1.00	N/A	N/A	N/A
Board of Directors							
Board of Directors	Changes during period		2019	2020	2021	2022	2023
	Start Date	End Date					
Frederik W. Mohn (Chairman of the Board)	25.11.2021		N/A	N/A	-	-	-
Beatriz Malo de Molina	25.11.2021		N/A	N/A	3	28	38
Mimi Berdal	23.12.2014		40	41	28	29	28
Petteri Soinenen	23.12.2014	21.06.2023	40	36	-	-	-
Jørgen Westad	21.05.2021		N/A	N/A	-	-	-
Silje Augustson	21.05.2021	02.11.2021	N/A	N/A	-	N/A	N/A
Øyvind Greaker Bjørndal	19.06.2020	21.05.2021	N/A	7	11	N/A	N/A
Jon Gunnar Solheim (employee elected representative)	14.06.2019	19.06.2020	-	-	N/A	N/A	N/A
Alexandra Herger	14.06.2019	19.06.2020	19	16	N/A	N/A	N/A
Marte Vist Karlsen (employee elected representative)	26.04.2017	19.06.2020	-	-	N/A	N/A	N/A
Johan Kr. Mikkelsen	23.12.2014	20.02.2020	42	7	N/A	N/A	N/A
Eystein Eriksrud	23.12.2014	13.06.2019	20	N/A	N/A	N/A	N/A
Anne Øian	30.06.2015	13.06.2019	22	N/A	N/A	N/A	N/A
Adam Robinson (employee elected representative)	01.01.2015	13.06.2019	-	N/A	N/A	N/A	N/A

¹ As reported as part of the Company's annual report

² Year-over-year against preceding year

³ Total compensation divided by average employee compensation

⁴ Amounts in NOK have been translated to USD Dollars using average exchange rates 10.5647(2023), 9.6245(2022), 8.5991(2021), 9.404(2020), and 8.8307(2019)

Share based compensation in 2023

No shares or share based compensation (including options, subscription rights, restricted stock unit and similar) were awarded or offered to members of the executive management team in 2023.

In February 2020, the Board resolved a company-wide options programme (the "2020 Programme"). Under the 2020 Programme, each employee was awarded 12,500 options (each giving the right to receive one share in the Company) at an exercise price based on the market value of the Company's shares immediately prior to award. At the same time, all prior options programmes were cancelled.

The options granted under the 2020 Programme have and will vest with 25 per cent on each anniversary date following the grant, with the first 25 per cent vesting in February 2021.

As part of the 2020 Programme each of the current members of the Company's executive management received 12,500 options. Consequently, 3,125 of the options granted to each of Mr. Lindhom, Mr. Eimstad and Mr. Helland-Hansen vested and became exercisable in February 2021, February 2022, and in February 2023.

Table 3: Share options awarded to Executive Management 2023 (strike price NOK)

Name of director, position	The main conditions of share option plans						Information regarding the reported financial year				
	Specification of plan	Award date	Vesting date	Expiry Date	Exercise periods	Strike price of the share	Opening balance	During the year		Closing balance	
							Share options held at the beginning of the year	Share options awarded	Share options vested	Share options subject to a performance condition	Share options awarded and unvested
Bjørn Petter Lindhom, CEO	Option 2020 Plan	07.02.2020	07.02.2021	07.02.2023	Quarterly	2.174	3,125	-	3,125	-	-
			07.02.2022	07.02.2024			3,125	-	3,125	-	
			07.02.2023	07.02.2025			3,125	-	3,125	-	
			07.02.2024	07.02.2026			3,125	-	-	3,125	
Anders Eimstad, CFO	Option 2020 Plan	07.02.2020	07.02.2021	07.02.2023	Quarterly	2.174	3,125	-	3,125	-	-
			07.02.2022	07.02.2024			3,125	-	3,125	-	
			07.02.2023	07.02.2025			3,125	-	3,125	-	
			07.02.2024	07.02.2026			3,125	-	-	3,125	
Dag Helland-Hansen, GEA	Option 2020 Plan	07.02.2020	07.02.2021	07.02.2023	Quarterly	2.174	3,125	-	3,125	-	-
			07.02.2022	07.02.2024			3,125	-	3,125	-	
			07.02.2023	07.02.2025			3,125	-	3,125	-	
			07.02.2024	07.02.2026			3,125	-	-	3,125	

Use of right to reclaim remuneration

No remuneration has been reclaimed in 2023.

The Company generally does not reserve to reclaim compensation in its incentive schemes.

Relationship to the Company's policy for determination of salaries

The remuneration to the CEO and other executive management for the fiscal year 2023 followed the policy for Determination of Salary approved by the 2023 Annual General Meeting (the "AGM").

At the 2023 AGM, 100% of the share capital represented at the AGM voted in favour of approving the EMGS Remuneration Report 2022, prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the regulations pursuant to this Act.

The Board of Directors of Electromagnetic Geoservices ASA has today considered and adopted the remuneration report for Electromagnetic Geoservices ASA for the 2023 financial year. The remuneration report has been drawn up in accordance with Section 6-16 b of the Norwegian Public Limited Liability Companies Act and the regulations pursuant to this Act.

This remuneration report will be submitted to the Company's annual general meeting to be held on 21 June 2024 for an advisory vote, cf. Section 6-16 b second subsection of the Norwegian Public Limited Liability Companies Act.

Oslo, 08 May 2024

Board of Directors and CEO of Electromagnetic Geoservices ASA



Statsautoriserte revisorer
Ernst & Young AS

Havnegata 9, 7010 Trondheim
Postboks 1299 Pircenteret, 7462 Trondheim

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

To the General Meeting of Electromagnetic Geoservices ASA

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REPORT ON SALARY AND OTHER REMUNERATION TO DIRECTORS

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Electromagnetic Geoservices ASA's report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31. December 2023 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. The firm applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Trondheim, 7 May 2024
Ernst & Young AS

Christian Ronæss
State Authorised Public Accountant
(This document is signed electronically)

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Ronæss, Christian

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